The risk free, assured, regular returns, easy availability and liquidity of small savings schemes as well as the tax benefits enjoyed on PPF, NSC (VIII Issue) and Post Office Savings Accounts continue to contribute to the attractiveness of the small saving schemes.

Model code for procurement

†3553. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether any model code regarding procurement has been evolved which will be obligatory for all Ministries/Departments at the time of giving contracts and supply; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) General Financial Rules 2005 have been promulgated *w.e.f* 1st July, 2005, with a view to recommend systems and procedures which will be in tune with liberalized and growing economy. General Financial Rules (GFRs) are a compendium of general provisions to be followed by all offices of Government of India while dealing with matters of a financial nature. The general provisions relating to purchase of goods contained in Chapter 6 of the GFRs lay down some general rules applicable to all Ministries/Departments. Detailed instructions relating to procurement may be issued by the procuring departments broadly in conformity with the general rules contained in GFRs. Further, "Manual on Policies and Procedures for Purchase of Goods" has been issued which' contain generic guidelines, wherein Ministries and Departments are required to supplements this Manual by issuing detailed operating instructions, to serve as practical instructions for their offices to suit their local/specialized needs.

Evasion of duties by exporting unit

3554. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

(a) the details of the issues concerned with M/s Sterlite Optical

†Original notice of the question was received in Hindi.

Technologies Limited, Aurangabad relating to the dispute in the payment of customs duty and excise duty during the beginning of 2000 and thereafter till the disposal of such issues;

(b) whether it is a fact that the domestic unit and export unit was adjacent with each other having a common connecting doors which is prohibited under law; and

(c) whether it is a fact that the connecting doors facilitate easy movement of materials from one unit to another enabling duty free imported capital goods and raw materials could be manufactured in the domestic unit and paying only less duty meant for domestic products and thus evading payment of higher duty.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) M/s Sterlite Optical Technologies Ltd. MIDC, Waluj, Aurangabad set up their 100% EOU at plot No. E-3 in the month of March, 2001. They imported duty free capital goods valued at Rs. 122 crore involving duty of Rs. 62 crore and raw materials valued at Rs. 40 crore. The manufacturing activities began in the month of July, 2001. The goods manufactured in the 100% EOU were clandestinely removed to their DTA unit located in adjacent plot No. E-2 without payment of duties. An offence case against M/s SOTL was booked on 3.9.2002. Investigations revealed that the party had misused the concessions available to them under EOU scheme. Show Cause Notice was issued on 31.12.2002 and the case was adjudicated by the Commissioner, Central Excise and Customs, Aurangabad on 11.7.2003 resulting in confirmation of duty of Rs. 101.82 crore, and imposition of penalty of Rs. 96.38 crore, redemption fine of Rs. 40 crore, and personal penalty of Rs. 11.48 crore. The party preferred an appeal before the Tribunal, which was decided on 17.6.2005. The Tribunal confirmed the duty of Rs. 84.33 crore, imposed penalty of Rs. 84.33 crore and redemption fine of Rs. 20 crore. The party filed appeal No. 90/2005 on 30.7.2005 in the High Court, Mumbai against the order of the Tribunal. The High Court *vide* its order dated 03.05.2007 dismissed the party's appeal, but subsequently *vide* its order dated 04.05.2007 has given eight weeks time to the party to file an appeal before the Supreme Court, and the stay has been continued for the said period.

(b) Yes.

(c) The connecting doors facilitated easy movement/transportation of raw materials and finished goods from the EOU to the DTA unit.

Payment of charges on bank loans

†3555. SHRIMATI MAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the customers, who take loan from banks, have to pay various charges after taking loans;

(b) whether the banks make the alluring promises before giving loans but the customers are chained in a number of conditions of loan, interest and penalty just after sanctioning of the loan; and

(c) whether Government have reviewed it and any measures have been taken to bring uniformity and streamline the system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) In order to ensure transparency in banking services, Reserve Bank of India (RBI) has issued instructions to banks on 16th May, 2006, to display and update the details of various service charges in the prescribed format on their websites and in their offices/branches. While fixing the service charges. the banks are expected to ensure that the cahrges are reasonable, consistent with the cost of providing the services and that the customers with low value/volume of transactions are not penalized, Further, *vide* its instructions dated 20th July, 2006, RBI has advised the banks that the service charges and fees may be placed on the homepage of their websites at a prominent place under the title of 'Service Charges and Fees' so as to facilitate easy access to the bank customers. The banks are also required to provide a complaint form alongwith the name of the nodal officer for redressal of the complaint, on the homepage itself to facilitate complaint submission by the customers. The detailed guidelines/ instructions are available on RBI website www. rbi. org. in.

†Original notice of the question was received in Hindi.